

Uniformed Services Participation in The Thrift Savings Plan

On October 30, 2000, President Clinton signed the Floyd D. Spence National Defense Authorization Act of Fiscal Year 2001 (Public Law 106-389). One provision of the law extended participation in the Thrift Savings Plan (TSP) to members of the uniformed services. This participation will include any member of the Ready Reserve receiving pay (IMAs, unit Reservists, and participating members of the Individual Ready Reserve (IRR)).

The Thrift Savings Plan (TSP) is a retirement savings and investment plan that has been available to civilian employees of the Federal Government since 1987. The purpose of the TSP is to provide a retirement income. It offers participants the same type of savings and tax benefits that many private corporations offer their employees under the "401 (K) plans".

The TSP allows participants to save a portion of their pay in a special retirement account administered by the Federal Retirement Thrift Investment Board.

TSP differs from the Military Retirement System in that participation in the TSP is optional and not automatic. Members must sign up with their service to participate in the TSP. Members contribute to the TSP from their own pay on a pre-tax basis, and the amount they contribute and the earnings attributable to their contributions belong to them.

Uniformed services members will be able to enroll in the TSP beginning on October 9, 2001. Members will be able to sign up to participate in the TSP during a special 60-day enrollment period, known as an open season, beginning on October 9, 2001, and ending on December 8, 2001. Contributions to the TSP based on the sign-up will begin to be deducted from paychecks the first week of January 2002. Members who do not enroll during the special open season will have two "open seasons" per year to enroll thereafter. (Open seasons are currently May 15 through July 31 and November 15 through January 31.)

Enrollment forms will soon be available at the TSP website. Once the forms are completed reservists submit the form to their reserve pay office (RPO). IMAs may also obtain forms at their Active Duty Military Personnel Flight. For investment counseling please contact the Family Support Center at your unit. For further information, please contact HQ ARPC Customer Service at 1-800-525-0102 ext. 71388, or go to the TSP website at: www.tsp.gov For forms and publications regarding TSP visit their website at <http://www.tsp.gov/forms/index-forms.html>